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SUBJECT: 104TH CANTON TRADE FAIR: ATTENDANCE AND BUSINESS DOWN, BUT OFFICIALLY "BETTER THAN EXPECTED"

¶1. Summary: The 104th Canton Trade Fair could not escape the effects of the global financial crisis, with almost 15,000 fewer visitors and a transaction volume down nearly seven billion U.S. dollars from the 103rd Fair held six months ago. Fair officials claimed that the event had nonetheless gone "better than expected," considering the circumstances. Intellectual property rights (IPR) violations remained an issue, with complaints filed against 911 companies. End summary.

¶2. Even before the October opening of the 104th China Import Export Commodities Fair (Canton Fair), exhibitors had expected a drop in attendees and transactions, but the results had been "better than expected," according to a Fair spokesperson. Some exhibitors planned to strengthen their innovation and research and development efforts in an effort to stave off the slowing global economy. The spokesperson cited an increase in the number of high-tech and high-value-added products on exhibit as evidence of this and said that environmental protection and energy-saving products had been "well received" by the market.

¶3. Total orders at the fair reached USD 31.55 billion, down nearly USD 7 billion or 17 percent from last spring's 103rd Fair and 16 percent from the 102nd Fair in fall 2007. (Note: With appreciation of the renminbi against the U.S. dollar, the drop in renminbi terms was even sharper.) Private companies -- mostly SMEs -- accounted for USD 18.56 billion in transactions, or 58.8 percent of the total trading volume, according to the fair's official website. This year there was no official breakdown of orders by country of buyers.

¶4. Most of the Fair's 174,562 attendees came from Asia, with Fair officials ranking traders from Hong Kong, Taiwan and Japan as most numerous. U.S.-based visitors numbered 9,626, which was even lower than the 10,985 U.S. attendees who endured strict pre-Olympics visa policies to attend the 103rd Fair (12,102 attended the 102nd Fair).

IPR Issues

¶5. According to official statistics, there was a large increase in the number of companies drawing IPR-infringement complaints -- 911, versus 534 from the last fair. However, because many cases involved multiple companies, the number of cases filed fell to 645 from 681. Preliminary investigation results yielded a small rise in the number of companies judged to be "infringement suspects" (495 versus 473 in the last fair).

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